

COLOR CERTIFICATION

FEE STUDY

MARCH 2003 (FY'03)

SCHEDULE 1	ACTUAL INCOME AND EXPENSES FOR FY 2002 PROJECTED INCOME AND EXPENSES FY 2003, 2004	1
SCHEDULE 2	PERSONNEL REQUIREMENTS	2
SCHEDULE 3	ANALYSIS OF LABOR COSTS	3
SCHEDULE 4	ANALYSIS OF OPERATING COSTS	4
SCHEDULE 5	ANALYSIS OF SPACE RENTAL COSTS	5
SCHEDULE 6	CFSAN-OFM-OFACS-OHRMS OVERHEAD AND UNFUNDED CSRS LIABILITY	6
SCHEDULE 7	PROJECTED INCOME (BASED ON ANTICIPATED WORKLOAD)	7

Prepared by FDA's Office of Financial Management

Approved by: _____

Date: _____

2005N-0077

BKG 1

**COLOR CERTIFICATION
ACTUAL INCOME AND EXPENSES FOR FY'02
PROJECTED INCOME AND EXPENSES FOR FY' 03 AND 04**

Schedule 1

<u>ESTIMATED COSTS (FY 03, 04)</u>	<u>ACTUAL 02</u>	<u>FY'03</u>	<u>FY'04</u>
[2] Direct Labor			
Laboratory	1,801,360	1,857,203	1,933,349
[2] Indirect Labor:			
Administrative support	279,548	288,213	300,030
[4] Overhead - 7 Certification Payroll Offsets	614,548	653,600	686,280
Operating Expenses	1,001,561	1,051,639	1,104,221
Space Rental	109,302	3,468,403	1,887,018
[1] OS/PHS Overhead	144,529	150,451	156,469
TOTAL ESTIMATED COSTS	\$3,950,848	\$7,469,509	\$6,067,367
ESTIMATED INCOME: (FY 03,04)			
[3] Straights/Lakes and Repacks	16,797,763.3 lb's	16,797,763.3 lb's	16,797,763.3 lb's
Mixtures and Rejects	X .30	X .30	X .30
TOTAL TEST FEES	\$5,039,329	\$5,039,329	\$5,039,329
[4] PROJECTED NET INCOME	\$4,089,481	(\$2,430,489)	(\$1,028,038)

[1] 8.3% of salaries and wages per Office of the Secretary guidance.

[2] FY'02 salaries based on current 3.1% increase, FY'03 salaries based on anticipated 4.1% increase.

[FY'03 increase data supplied by the Budget Execution Department].

[3] Workload projections and new fees are detailed on schedule 7.

[4] Overhead rate for Administrative support CFSAN (20.52%) and OFM-OFACS-OHRMS (14.78%).

Color Certification Personnel Requirements

Schedule 2

<u>TITLE</u>	<u>DUTIES</u>	<u>TOTAL FTE'S</u>
<u>Laboratory: (Direct Labor)</u>		
Supervisory of Chemist	Administration of Color Certification Branch. Supervision of Certification laboratory operations. Reviews sample analytical data for first or second level of certification review and first level of rejection review.	3
Chemist	Carries out a variety of chemical and instrumental tests on color additives. Enters sample analytical and company statistical data into computer database.	15
Physical Science Technician	Carries out routine chemical and instrumental tests on color additives. Enters sample analytical data into computer database.	3
Co-Ops / Student Trainee's	Carries out entry level chemical and instrumental tests on color additives. Enters sample analytical data into computer database.	1.5
Research Chemists	Primary function is to develop or improve color certification analytical methodology. Assist certification chemists with anomalies identification.	1
Total Lab		23.5
<u>Administrative: (Indirect)</u>		
Office Director	Administration of Office of Cosmetics and Color (OCAC). Provides primary level of policy and compliance guidance to color industry and office personnel. Represents colors program to the rest of center, agency and industry. Performs final review of sample analytical data for certification or rejection of color additive batches. Signs color certification certificates and all rejections. Plans laboratory studies and research projects.	1
Division Director	Administration of Division of Program and Enforcement Policy, OCAC. Responsible for maintaining Color Certification Computer (hardware/software) system and related ADP functions. Controls correspondence for OCAC. Performs second or final review of sample analytical data for certification and second review of data for rejection of color additive batches. Signs color certification certificates.	1
Secretaries	Secretarial and clerical support for Color Certification Program.	1
Total Administrative		3
Color Certification (Payroll) Offsets	CFSAN-OFM-OFACS-OHRMS	7
Total Program		33.5

**COLOR CERTIFICATION LABOR COSTS
AS OF 9/30/02
PROJECTED THROUGH FY'2004**

Schedule 3

	ACTUAL SALARY FY'02	BENEFITS 19.50%	TOTAL	FY'03 Includes 3.1% Pay Raise	FY'04 (*4.1% Increase)
<u>DIRECT LABOR:</u>					
Laboratory:					
Supervisory of Chemist	92,060	17,952	110,012	113,422	118,072
Supervisory of Chemist	91,308	17,805	109,113	112,496	117,108
Research Chemist	96,525	18,822	115,347	118,923	123,799
Supervisory of Chemist	91,308	17,805	109,113	112,496	117,108
Chemist	77,266	15,067	92,333	95,195	99,098
Chemist	79,473	15,497	94,970	97,914	101,929
Chemist	75,058	14,636	89,694	92,475	96,266
Chemist	66,229	12,915	79,144	81,597	84,943
Chemist	63,119	12,308	75,427	77,765	80,954
Chemist	64,975	12,670	77,645	80,052	83,334
Chemist	64,975	12,670	77,645	80,052	83,334
Chemist	63,119	12,308	75,427	77,765	80,954
Chemist	63,119	12,308	75,427	77,765	80,954
Chemist	55,694	10,860	66,554	68,618	71,431
Chemist	63,119	12,308	75,427	77,765	80,954
Chemist	61,263	11,946	73,209	75,479	78,573
Chemist	66,831	13,032	79,863	82,339	85,715
Chemist	40,714	7,939	48,653	50,161	52,218
Chemist	51,115	9,967	61,082	62,976	65,558
Physical Science Technician	42,887	8,363	51,250	52,839	55,005
Physical Science Technician	38,406	7,489	45,895	47,318	49,258
Physical Science Technician	38,725	7,551	46,276	47,711	49,667
Student Trainee [Co-Op's - .5 FTE]	38,406	7,489	45,895	47,318	49,258
Student Trainee [Co-Op's - .5 FTE]	10,831	2,147	12,978	13,380	13,929
Student Trainee [Co-Op's - .5 FTE]	10,831	2,147	12,978	13,380	13,929
(23.5) TOTAL DIRECT LABOR	\$1,507,356	\$294,004	\$1,801,360	\$1,857,203	\$1,933,349
<u>INDIRECT LABOR:</u>					
Administrative:					
Office Director	92,060	17,952	110,012	113,422	118,072
Division Director	110,474	21,542	132,016	136,109	141,689
Secretary	31,397	6,122	37,519	38,683	40,269
(3) TOTAL ADMINISTRATIVE SUPPORT	\$233,931	\$45,617	\$279,548	\$288,213	\$300,030
TOTAL LABOR	\$1,741,287	\$339,621	\$2,080,908	\$2,145,416	\$2,233,379
(7) Color Certification Payroll Offsets			\$614,548	\$653,600	\$686,280
(38) TOTAL DIRECT/INDIRECT AND OFFSET PAYROLL COSTS			\$2,695,456	\$2,799,016	\$2,919,659

(*) Supporting percentage supplied by the Budget Execution Section

COLOR CERTIFICATION
ACTUAL COST FOR FY'2002
PROJECTED BUDGET FOR FY 2003-2004

Schedule 4

<u>LABORATORY AND COMPLIANCE OFFICE</u>	ACTUAL COST FY'02	5% Increase FY'03	5% Increase FY'04
<u>Object Class:</u>			
21 Travel	2,948	3,095	3,250
22 Transportation	9,475	9,949	10,446
23 Rentals (Other than space)	220,837	231,879	243,473
25 Other Contractural Services	333,703	350,388	367,908
26 Supplies	145,113	152,369	159,987
31 Non-Capitalized Equipment	179,198	188,158	197,566
33 Interest Expense	234	246	258
67 Depreciation	110,053	115,556	121,333
TOTAL OPERATING COST	\$1,001,561	\$1,051,639	\$1,104,221

**COLOR SPACE RENTAL
ACTUAL COST FOR FY'02
PROJECTED THROUGH FY 2003-2004**

Space Rental Costs, Projected..(FY'04) **\$1,887,018**

<u>FOB-8 Rent & Chantilly Related Costs</u>	<u>FY'02</u>	<u>(*)FY'03</u>	<u>(*)FY'04</u>
1) Chantilly/FOB-8 Rent	0	1,409,339	1,300,000
Utilities	41,655	195,000	204,750
Oper. & Maint.	34,239	18,000	18,900
Cleaning	20,000	42,126	44,232
Guard Services	9,761	303,938	319,135
Security Maint.	3,647	0	0
Total Rent Related Costs	109,302	559,064	587,017
- Note: FOB-8 Rent for FY'3 is \$109,339 which is under contract and is subject to change			
- One time buildout cost for College Park		1,500,000	
--- GRAND TOTAL ---	109,302	3,468,403	1,887,018

* Note: Rental amount subject to change due to the temporary move to Chantilly, VA for 2 years (FY'3 and FY'4).
In the fall of 2005 the anticipated move to College Park, MD (University of Maryland campus) is scheduled to occur. Cost are undetermined at this time (11/02) and cost will be re-calculated when details become available.

**COLOR CERTIFICATION
SALARIES AND WAGES
OS/PHS OVERHEAD AND UNFUNDED CSRS LIABILITY**

	CFSAN	OFM-OFACS-OHRMS	OS	CFSAN	OFM-OFACS-OHRMS	[1]OS	
SALARY	OVERHEAD	OVERHEAD	OVERHEAD	OVERHEAD	OVERHEAD	OVERHEAD	
<u>FY'02</u>	<u>20.52%</u>	<u>14.78%</u>	<u>8.3%</u>	<u>FY'03(20.52%)</u>	<u>FY'01(14.78%)</u>	<u>FY'03</u>	
<u>DIRECT LABOR:</u>							
Laboratory:							
Supervisory of Chemist	92,060	18,891	13,604	7,641	18,891	13,604	7,954
Supervisory of Chemist	91,308	18,736	13,493	7,579	18,736	13,493	7,889
Research Chemist	96,525	19,807	14,263	8,012	19,807	14,263	8,340
Supervisory of Chemist	91,308	18,736	13,493	7,579	18,736	13,493	7,889
Certification Chemist	77,266	15,855	11,418	6,413	15,855	11,418	6,676
Certification Chemist	79,473	16,308	11,744	6,596	16,308	11,744	6,867
Certification Chemist	75,058	15,402	11,091	6,230	15,402	11,091	6,485
Certification Chemist	66,229	13,590	9,787	5,497	13,590	9,787	5,722
Certification Chemist	63,119	12,952	9,327	5,239	12,952	9,327	5,454
Certification Chemist	64,975	13,333	9,601	5,393	13,333	9,601	5,614
Certification Chemist	64,975	13,333	9,601	5,393	13,333	9,601	5,614
Certification Chemist	63,119	12,952	9,327	5,239	12,952	9,327	5,454
Certification Chemist	63,119	12,952	9,327	5,239	12,952	9,327	5,454
Certification Chemist	55,694	11,428	8,230	4,623	11,428	8,230	4,812
Certification Chemist	63,119	12,952	9,327	5,239	12,952	9,327	5,454
Certification Chemist	61,263	12,571	9,053	5,085	12,571	9,053	5,293
Certification Chemist	66,831	13,714	9,876	5,547	13,714	9,876	5,774
Certification Chemist	40,714	8,355	6,016	3,379	8,355	6,016	3,518
Certification Chemist	51,115	10,489	7,553	4,243	10,489	7,553	4,416
Physical Science Technician	42,887	8,800	6,337	3,560	8,800	6,337	3,706
Physical Science Technician	38,406	7,881	5,675	3,188	7,881	5,675	3,318
Physical Science Technician	38,725	7,946	5,722	3,214	7,946	5,722	3,346
Co-Op's (1.5 FTE's)	60,068	12,294	8,834	4,986	12,326	8,876	5,190
TOTAL DIRECT LABOR.....	1,507,356	309,277	222,700	125,112	309,309	222,742	130,238
<u>INDIRECT LABOR:</u>							
Administrative:							
Division Director	92,060	18,891	13,604	7,641	18,891	13,604	7,954
Office Director	110,474	22,669	16,325	9,169	22,669	16,325	9,545
Secretary	31,397	6,443	4,640	2,606	6,443	4,640	2,713
TOTAL ADMINISTRATIVE SUPPORT	233,931	48,003	34,568	19,417	48,003	34,567	20,212
TOTAL LABOR	\$1,741,287	\$357,280	\$257,268	\$144,529	\$357,312	\$257,309	\$150,451

1] Figures based on a 4.10% salary increase in FY'03

Current Schedule of Fees - Color (FY'3)

- | | |
|--|---|
| 1. Fees for Straight Colors Including Lakes | \$.30 per pound of the batch covered but not less than \$192 |
| 2. Repacks of Certified Color, Color Additives and Color Additives mixtures. | (1) 100 lbs. or less - \$30
(2) over 100 lbs. - \$30 plus \$.06 for each pound over 100 lbs., but not over 1000 lbs.
(3) over 1000 lbs. - \$84 plus \$.02 for each pound over 1000 lbs. |